

ADDITIONAL INFORMATION ON THE REQUEST TO PROVIDE FINANCIAL ASSISTANCE

16 October 2014

On 13 October 2014, O2 Czech Republic a.s. received a request from the majority shareholder, PPF Arena 2 B.V. to provide financial assistance.

The Board of Directors of O2 Czech Republic a.s. has discussed the request and decided to conduct an analysis and prepare the steps necessary for the potential approval of the financial assistance in compliance with the law.

Request for the company to provide a loan to the existing shareholder to acquire its shares is compliant with the existing laws and regulations. **JUDr. Petr Čech, Ph.D., LL.M.**, from the Corporate Law department at the Faculty of Law, Charles University in Prague, a member of expert group for the new civic law, provides an explanation: "*This is a legal and strictly regulated process, subject to which is any provision of advance payment, loan or credit by a commercial corporation for the purpose of acquisition of its shares or provision of a guarantee by a commercial corporation for these purposes.*"

Provision of financial assistance is a specific act under the valid Czech legal code. According to **JUDr. Petr Čech**, "*financial assistance is an institute specifically regulated by the new Business Corporations Act (§311 et. seq.) and was regulated also by the Commercial Code. It stems from the Second Company Law Directive, art. 23 and 23a (Directive 77/91/EEC, as amended by the Directive 206/68/EEC).*"

Provision of financial assistance has to comply with a series of legally required principles. **JUDr. Libor Němec, Ph.D.**, head lawyer at AK Glatzová & spol., member of the analysis committee of the Czech National Bank and The Legal 500 recommended lawyer for the area of banking in 2012, provided this clarification: "*Among the key conditions for provision of financial assistance is the provision under fair market conditions and in the interest of the company (which however does not mean that this must be in the interest of each and every shareholder, as the interests of the individual shareholders may obviously differ). The provision of financial assistance may not put at risk the solvency of the company, which actually has to establish a special reserve fund for this purpose. The whole process is described in detail and is subject to approval of all bodies of the company and with participation of generally recognised independent expert.*"

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About O2 Czech Republic

O2 Czech Republic is the largest integrated telecommunications provider in the Czech market. At present the Company operates close to eight million mobile and fixed accesses, which places it among the market leaders in fully converged services in Europe. To the users of mobile services in the Czech Republic O2 offers state-of-the-art HSPA+ and LTE technology. O2 has the most comprehensive proposition of voice and data services in the Czech Republic, and actively exploits the growth potential of its various business lines, especially ICT. O2 data centres,



with total floor area of 7,300 square metres, rank O2 among the leaders in hosting, cloud and managed services. O2 data centres are the only centres in the Czech Republic and in Central Europe with TIER III certification. With the O2 TV the Company is also the largest IPTV service provider in the Czech Republic. The Company is present on the mobile market in Slovakia since 2007, through its 100% subsidiary O2 Slovakia. In January 2014, O2 Czech Republic became a member of the Czech investment group PPF.

About PPF Group

PPF Group invests into multiple market segments such as banking and financial services, insurance, real estate, energy, metal mining, agriculture, retail and biotechnology. PPF's reach spans from Central and Eastern Europe to Russia and across Asia. PPF Group owns assets of EUR 22.113 billion (as at 30 June 2013).